



Emergency Unemployment Compensation & Extended Benefits

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EUC available after workers exhaust regular benefits

Must be authorized by Congress

EUC runs through 2013; 28 weeks available in Washington after Aug. 10, 2013

EUC benefits reduced by federal sequester

This program ended on Dec. 28, 2013.

There are two possible options for paying additional unemployment benefits during periods of high unemployment: Emergency Unemployment Compensation (EUC) and extended benefits.

Emergency Unemployment Compensation

Emergency Unemployment Compensation (EUC) provides additional weeks of benefits to people who have used all of their regular unemployment benefits. The program must be authorized by Congress and is funded 100 percent by the federal government. The benefits do not affect employers' experience rating or benefit charges, and we do not bill reimbursable employers (e.g., government agencies, tribes and some non-profits).

During the Great Recession, Congress activated EUC in July 2008, providing up to 13 extra weeks of unemployment benefits in all 50 states. Over the next few years, Congress revised and expanded the program to four "tiers" with a maximum of 53 weeks, then in 2012 shrank the maximum available to 43 weeks. In January 2013, Congress and the President authorized EUC to continue through Dec. 28, 2013.

EUC "triggers"

All states qualify for EUC tier 1, which pays up to 14 weeks of benefits. States qualify for tiers 2-4 based on their three-month average unemployment rates:

- EUC tier 2 ~ three-month average rate of 6 percent or higher; pays up to 14 weeks.
- EUC tier 3 ~ 7 percent or higher; pays up to 9 weeks.
- EUC tier 4 ~ 9 percent or higher; pays up to 10 weeks. (*Washington shut off April 2012*)

Due to a declining unemployment rate, Washington phased out tier 4 in April 2012 and began phasing out tier 3 in August 2013; however, a rising unemployment rate caused tier 3 to reactivate beginning Dec. 8, 2013.

Federal sequester reduces EUC benefits

Originally, an individual's weekly benefit amount remained the same when moving from regular benefits to EUC. The sequester required states to reduce EUC benefits by an annual average of 5 percent. Due to the delayed implementation in federal fiscal year 2013, weekly benefits in Washington were reduced by 21.08 percent at the point a claimant started a new tier of EUC from May 19 through Sept. 28, 2013.

With the start of FFY-2014 (in October 2013):

- For anyone who begins claiming EUC tier 1 or 2 on or before Sept. 28, the 21.08 percent reduction will be applied and will remain in effect through the duration of that tier.
- For anyone who begins claiming tier 1 or 2 after Sept. 28, the original weekly benefit amount will be maintained or restored (without any reduction).

**Extended
benefits paid
after all regular
and EUC
benefits have
been claimed****Extended benefits**

Extended benefits are paid after all regular benefits and Emergency Unemployment Compensation are paid out. Normally, the benefits are paid 50/50 by the federal government and the state's unemployment trust fund; but during the Great Recession, the federal government paid the entire cost because many states' trust funds were bankrupt. People receiving extended benefits are required to look for work more rigorously, and they must accept any job that pays at least as much as their weekly benefits (or minimum wage, if higher).

Under state law, up to 13 weeks of extended benefits are payable starting the third week after either of these unemployment-rate "triggers" is met.

- **Option #1: "total unemployment rate."** If the seasonally adjusted unemployment rate averages at least 6.5 percent over three months **and** is at least 10 percent higher than the same three-month period three years ago; or
- **Option #2: "average insured-unemployment rate."** For the current and preceding 12 weeks, if at least 5 percent of insured workers are receiving unemployment benefits **and** that rate is at least 20 percent higher than the 13-week average for the same period in each of the past three years.

In early 2009, Washington qualified under Option #1; benefit payouts began Feb. 15, 2009. In May 2009, after the state's three-month average unemployment rate reached 8 percent, claimants could receive up to 7 additional weeks of extended benefits, totaling 20 weeks. The program shut off in April 2012, when the state's unemployment rate no longer met the criteria.

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